



We Monitor Because We Care and Other Fundamental Truths About Subrecipient Monitoring

PART I

**Samantha Lukaszewicz, Program Officer
& Shannon Girouard, Fiscal Officer**

VIRGINIA SERVICE COMMISSION



Objective:

We will provide a conceptual overview of subrecipient monitoring, including its purpose and objectives from the perspectives of CNCS and the VSC.

Outcome:

You will understand the purpose of subrecipient monitoring, be introduced to VSC's monitoring plan and learn the different phases of the monitoring process.



Monitoring in the Grant Lifecycle



<https://www.fema.gov/media-library/assets/images/179498>



Why Do We Monitor?

- To review progress in order to help the subgrantee establish and maintain excellence in implementing the program
- To assess and mitigate, or entirely prevent, the risk of federal funding being used in unauthorized ways

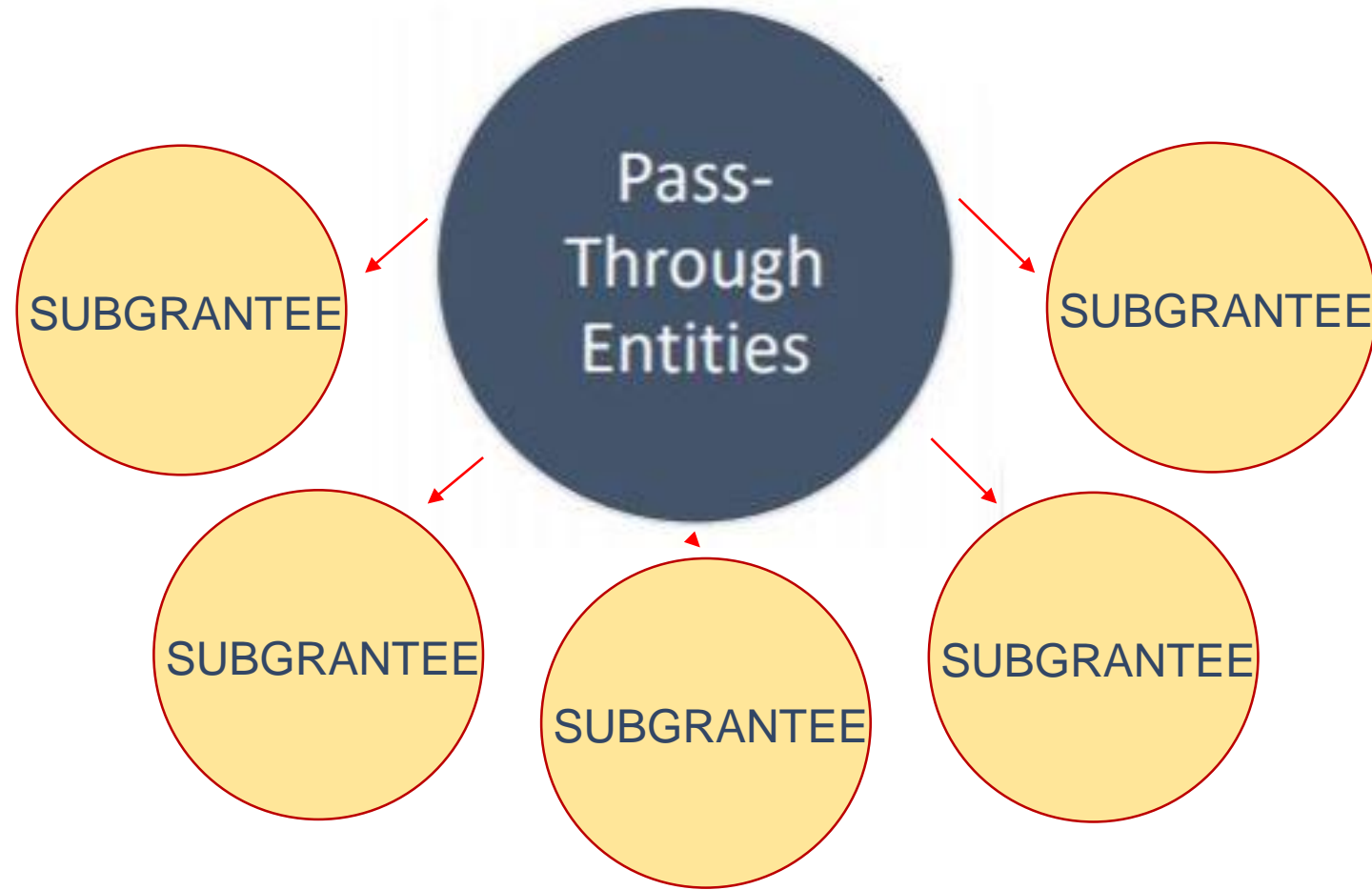


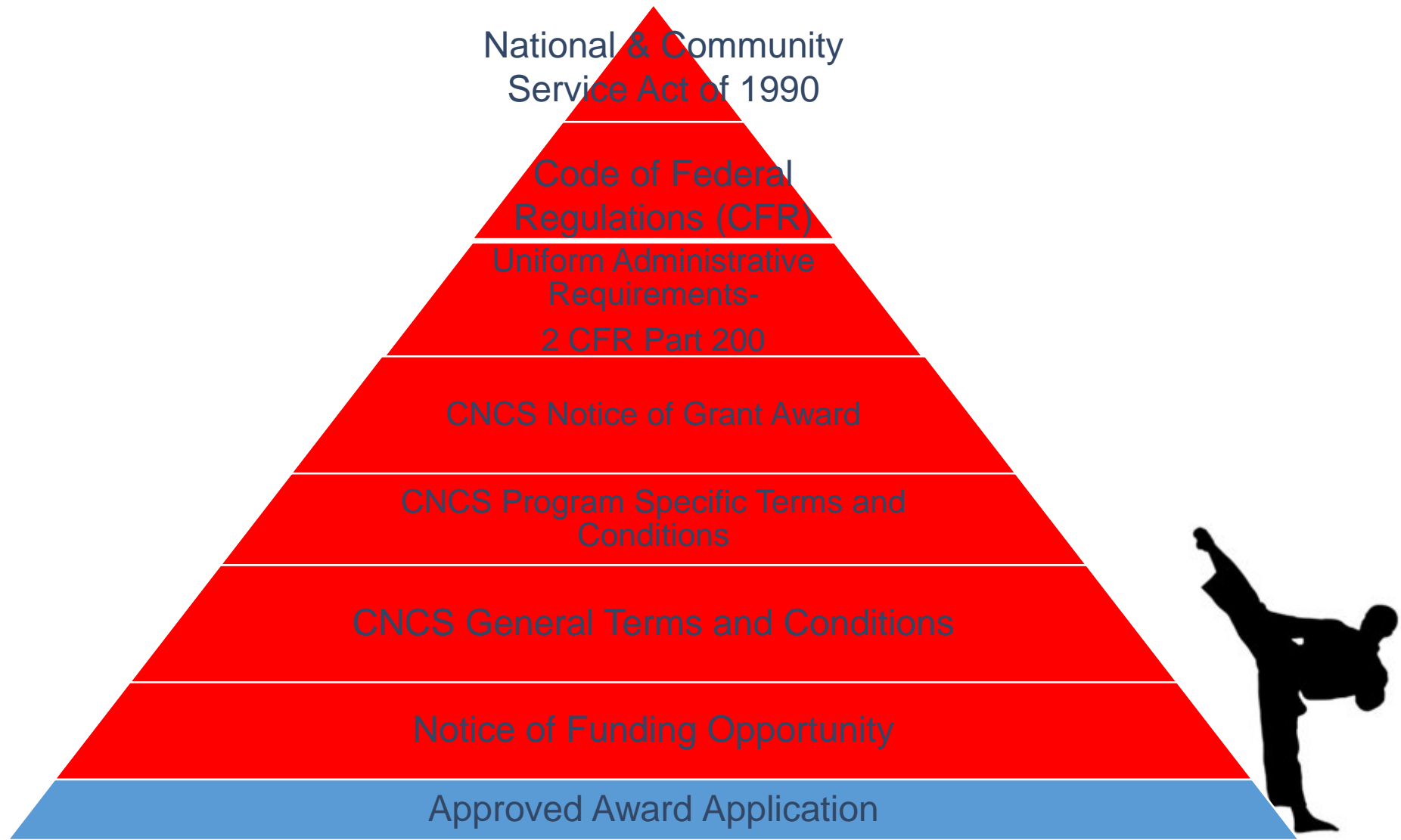
Who's Monitoring Who?

Key Players in Federal Grants Oversight



Today's Focus: Subrecipient Monitoring





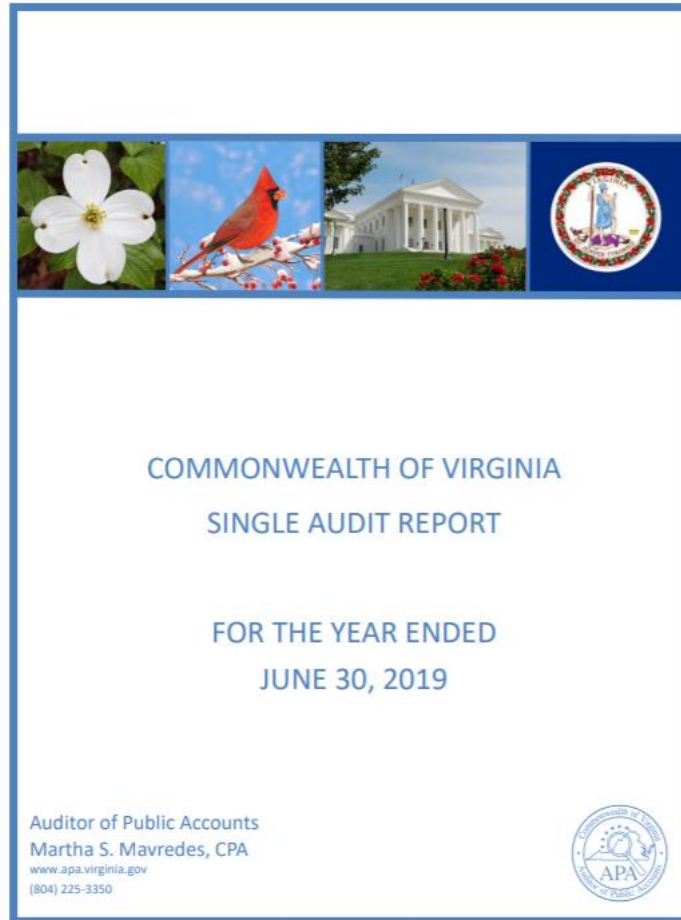
Requirements:

Uniform Guidance- 2 CFR Part §200.331

(d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.



Pass-through Requirements



SCHEDULE OF FINDINGS AND QUESTIONED COSTS SECTION 3: FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

- 2019-020: Perform System Access Reviews
- 2019-024: Remove Separated Employee Access in a Timely Manner
- 2019-037: Improve Web Application Security
- 2019-039: Improve Web Application Security
- 2019-049: Develop Records Retention Requirements and Processes for Case Management System
- 2019-051: Complete and Approve the System Security Plan
- 2019-052: Develop a Process to Maintain Oversight for Third-Party Providers
- 2019-059: Continue Improving Database Security
- 2019-063: Continue Improving IT Risk Management Program
- 2019-083: Ensure Employees Complete Required Conflict of Interest Training
- 2019-088: Improve Controls over the Income Verification for the TANF Program
- 2019-090: Ensure Subrecipient Reviews Adhere to Monitoring Plan
- 2019-091: Continue to Improve Controls over Subrecipient Monitoring
- 2019-095: Continue Improving the Overpayment Collection Process

Each of the findings referenced above represents a compliance finding that could be material to the basic financial statements and are required to be reported under Government Auditing Standards. These findings relate to both the financial statements and federal awards. The details of these findings are reported within "Section 2: Financial Statement Findings" of the Schedule of Findings and Questioned Costs.



Pass-through Requirements

2019-102: Implement Opioid Grant Sub-Recipient Monitoring

Applicable to: Department of Behavioral Health and Developmental Services

Prior Year Finding Number: N/A

Type of Finding: Internal Control and Compliance

Severity of Deficiency: Significant Deficiency

CFDA Title and CFDA #: Opioid STR - 93.788

Federal Award Number and Year: H79TI081682 - 2018

Name of Federal Agency: U.S. Department of Health and Human Services

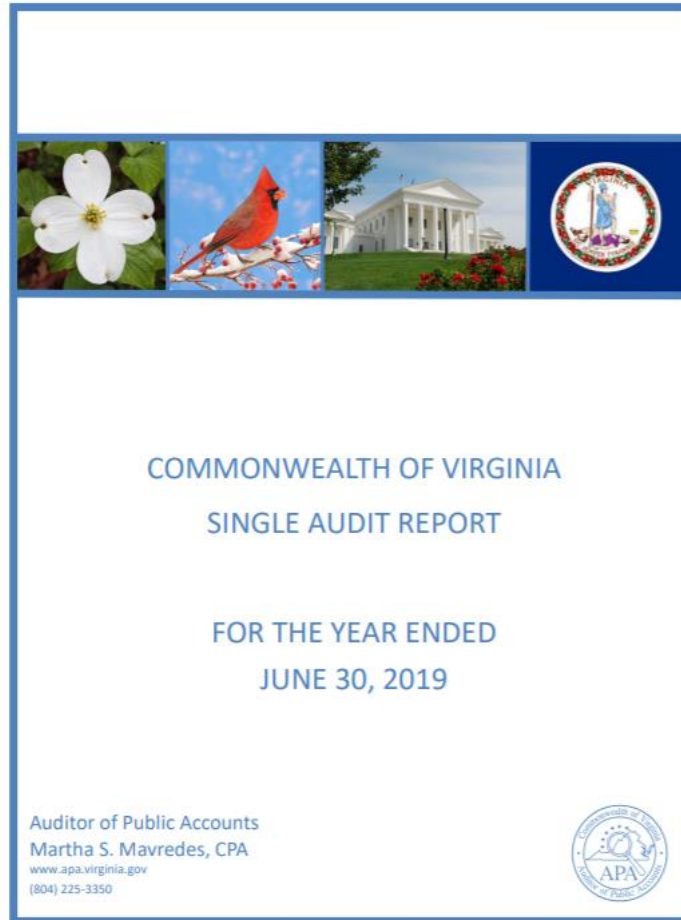
Type of Compliance Requirement - Criteria: Subrecipient Monitoring - 45 C.F.R. § 75.352(6)(b)(d)(e)

Known Questioned Costs: \$0

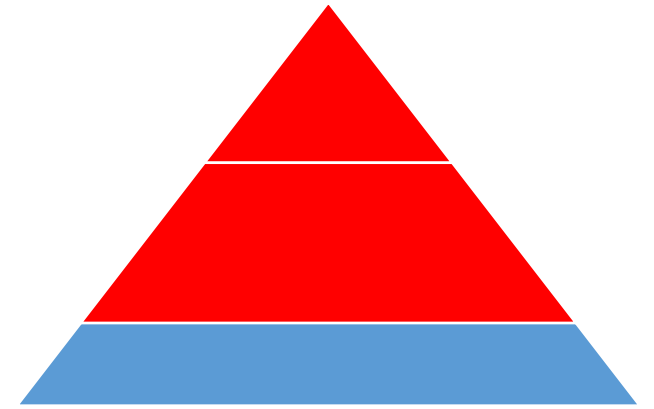
DBHDS is not properly monitoring the awards provided to Community Service Boards (CSBs) for the opioid grants as determined by DBHDS's Office of Budget and Financial Reporting's CSB Risk Assessment. DBHDS management responsible for the opioid grants did not have sufficient documentation of onsite visits with the CSBs to monitor programmatic progress for both the STR Grant and the SOR Grant that encompass the Catalogue of Federal Domestic Assistance (CFDA) 93.788.

The Code of Federal Regulations (C.F.R.) 45 C.F.R. § 75.352(6)(b) requires an evaluation of each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section.

45 C.F.R. § 75.352(6)(d) requires monitoring the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved.



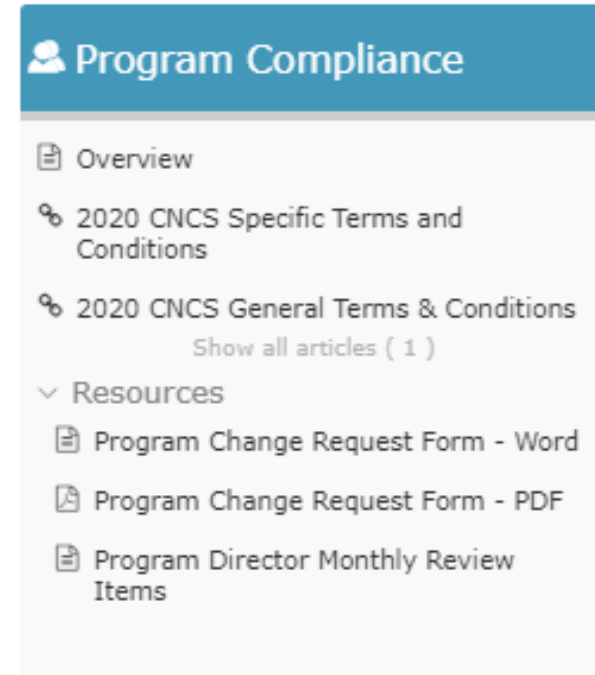
Requirements: Code of Federal Regulations



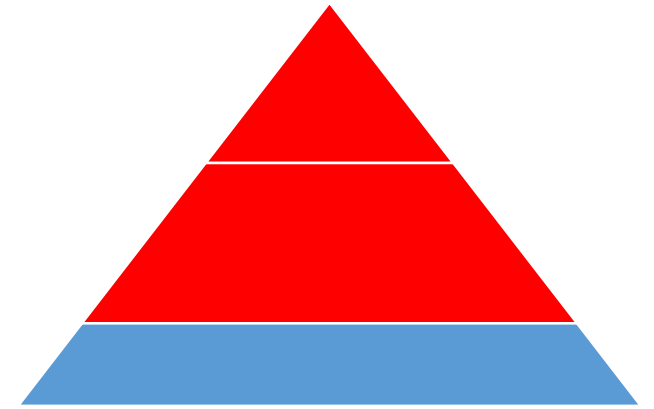
- CNCS interpretation and application of the Statute – 252 pages of regulations
- Found in Title 45, Chapter 25. CNCS is 45 CFR §2520- 2550
- Created through Rulemaking process
- Categories: General Terms and Conditions, AmeriCorps members, National Service Trust, Education Awards, and more

Requirements: Terms and Conditions

- Two types of T&Cs for AmeriCorps:
 - General** Terms and Conditions
 - Specific** Terms and Conditions
- Updated annually with changes from the prior version noted at the beginning
- Links to Terms and Conditions can also be found under [Financial and Grants Management](#) of CNCS website



Importance of T&Cs



- Key documents outlining program, financial and administrative compliance requirements
- Legally binding requirements on your award established by CNCS which, when not met, can result in corrective actions, including disallowances
- Compliance with T & Cs is continually assessed throughout the award period
(e.g. NSCHC requirements, member liability and safety issues)

General Terms & Conditions

- Content related to federal standards for *grants management*, such as procurement and transparency reporting
- Some areas are repeated in the Specific Terms and Conditions with more detail, for example prohibited activities
- Important resource for locating additional guidance documents and contact information

Specific Terms and Conditions

- Emphasis on specific requirements for managing members:
 - Prohibited Activities
 - Requirements for Member Service Agreements
 - Changes in Member Positions that require CNCS approval
 - Member Supervision- Limits on % of time spent on education and training activities
 - Requirements for reporting slot conversions
 - Recordkeeping
 - Evolving guidance related to COVID-19

Specific Terms and Conditions

2020 Terms and Conditions for AMERICORPS STATE and NATIONAL GRANTS

These Corporation for National & Community Service (CNCS) Grant Program Specific Terms and Conditions and the General Terms and Conditions, are binding on the recipient.

Due to COVID-19, CNCS has provided guidance that informs the applicability, implementation, or enforcement of the terms and conditions due to legislative changes and new facts that support discretionary agency action. Please refer to the [COVID-19 FAQs](#).

CORONAVIRUS DISEASE 2019 (COVID-19)



COVID-19 Frequently Asked Questions

Information for grantees, sponsors, members, and volunteers

- Prospective Member and Volunteer Questions
- CNCS General Questions
- Senior Corps Specific Questions
- **AmeriCorps State and National Program Questions**
- AmeriCorps VISTA Program Questions
- AmeriCorps NCCC Questions
- Research and Evaluation (and SIF) Questions

- E. **Teleservice.** AmeriCorps members should generally be providing service directly to the people and in the communities where they serve rather than performing service remotely. Therefore, teleservice should be limited to certain situations. Teleservice—like all service—should have appropriate documentation, supervision and oversight.

A grantee may determine that teleservice is appropriate based on the situation (e.g., COVID-19 public health emergency) and type of service being delivered (e.g., tutoring via telephonic or video conference). Teleservice is appropriate only when the activity can be meaningfully supervised and the hours verified independently. If a grantee or subgrantee determines that its AmeriCorps members will be allowed to teleserve, the grantee must establish or update an existing policy to address the following:

- Expectations of the communication requirements between supervisors and teleserving members
- Mitigation of the increased risk of time and attendance abuse
- Appropriate supervision including validation of the activities to be performed (and accompaniment, as necessary), and
- Verification of hours claimed.

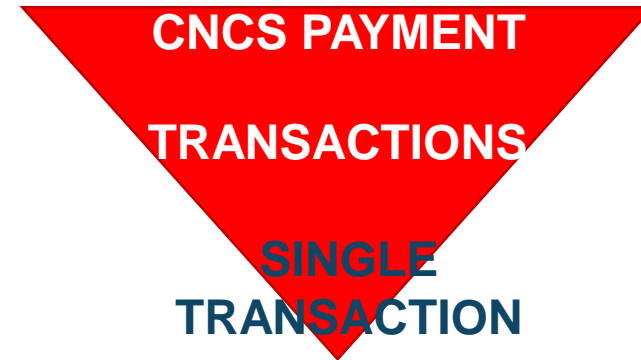
Further, the grantee should consider updating its insurance coverage to address legal liability attribution (for the grantee or teleserving member) for incidents that occur during teleservice.

Who's Monitoring Who?





IPERIA



- Improper Payments Elimination and Recovery Act (IPERIA)
- Conducted by CNCS Office of Inspector General
- Review of single transactions at subgrantee level which make up disbursement from CNCS to pass-through entity
- To determine if source documentation and the basis for disbursement is compliant to support the payment made

IPERIA Findings

- According to NSCHC FAQs Question 7.1, when conducting an NSCHC, the grantee must verify the person's identify against a government photo identification. However, CNCS did not require its reviewers to ensure that the grantee verified individuals' identities using government photo identification for IPERA purposes. Without confirming that grantees verified individuals' identities, CNCS is unable to confirm that grantees appropriately performed the background checks on the correct person. CNCS therefore may not be in compliance with the NSCHC requirement.

- Uniform Grants Guidance Improper Payment – Definition 200.53
 - Payment should not have been made
 - Incorrect amount
 - Ineligible
 - Party • Goods • Service
 - Duplicate
 - Good or service not received
 - Does not account for
 - Credit • Discount
 - Lack of “sufficient” documentation

IPERIA

AmeriCorps Member Debarred for Falsification of Timesheets; Grantee Required to Repay Funds for Improper Education Awards

CNCS Elects Not to Require Grantees to Review Sub-grantee Budgets with Multiple Awards to Prevent Overbudgeting and Overlapping Costs. CNCS Disallowed Funds for Excess Living Allowances Paid to AmeriCorps Members


2020-03-19

Closed 3/19/20

CNCS-OIG investigated allegations that Sunset Park Health Council (SPHC), Brooklyn, NY, operated two separate AmeriCorps programs to make a profit from grant funding and utilized AmeriCorps members (members) to perform personal errands for staff. SPHC was also an operating site for the Healthy Futures Corps (HFC) grant, operated by the Community Health Care Association of New York State (CHCANYS), New York, NY. While the initial allegations were not substantiated, our investigation found CHCANYS overbudgeted staff salary on two CNCS grants, requesting over 100 percent salary for one employee assigned to work on both projects. Further, CHCANYS **staff timekeeping methods** were unable to demonstrate its billing was based on actual hours, as required.

The investigation also revealed some HFC AmeriCorps members were **allowed to curtail their length of service by several months if they completed their required 1,700 service hours early.** After approving the curtailment, CHCANYS increased each members' monthly living allowance in order to ensure all living allowances were expended before the end of their service terms.

CNCS-OIG recommended CNCS implement controls to ensure multiple sub-grantee budgets are compared and do not over-budget staff salary; review staff salary charged to the grant to ensure it was not overcharged; implement controls to ensure staff recorded actual hours spent on the grant; disallow any excess living allowance payments to members who curtailed their service terms; **and review policies that allowed members to** exit the program earlier than expected.



Pass-
Through
Entities

Virginia Service Commission

- ☐ Pre-award risk assessment
- ☐ Post-award risk assessment
- ☐ Subrecipient monitoring
- ☐ Audit review



Risk-based Monitoring Approach



Risk Assessments Required

- *2 CFR Part §200.205*
Federal awarding agency review of risk posed by applicants
- Requires federal agencies to assess risk of non-federal entities, for example CNCS assesses risk of Virginia Service Commission
- *2 CFR Part §200.331*
Requirements for pass-through entities.
- As the pass-through entity, the Commission follows suit in assessing risk of subgrantees

Risk Assessments

A formal evaluation of risk posed by an applicant organization prior to the award of funds

- Documented
- Established criteria or risk factors
- Interpreted through consistent sources of information
- Assigns degrees of risk, for example:
 - Acceptable vs unacceptable
 - High, low, medium



Evaluate risk across organizational dimensions

Governance

Effective board governance structure and oversight as reflected in:

- IRS Form 990
- Organizational By-laws
- Organizational Capacity Assessment which indicates presence of policies and procedures, internal controls and staff continuity

Evaluate risk across organizational dimensions

Financial Management

Demonstrate the capacity to meet the grant's financial management and administrative standards as reflected in:

- IRS Form 990
- Audited annual financial statements; Single Audit
- Financial Management Survey which indicates adequate separation of duties

Evaluate risk across organizational dimensions

Past Performance (if applicable) as reflected in:

- Results of past compliance reviews, if a prior or existing AmeriCorps subgrantee
- Achieving member recruitment, enrollment, retention and exit benchmarks

VIRGINIA SERVICE COMMISSION

Compliance & Performance Monitoring

What? Where? How? and When?



Compliance & Performance Monitoring Methods & Tools

- Technical Assistance
- Member Surveys
- Monthly calls
- Program Change Requests
- Budget Modifications
- Desk reviews
- Grantee Progress Reports
- Monthly & quarterly expenditures reports
- Compliance monitoring site visits




Monitoring Systems


- eGrants
- OnCorps Reporting
- TrueScreen
- Fieldprint
- System for Award Management (SAM)
- FAPIIS



FAPIS



Federal Awardee Performance
and Integrity Information System



[Home](#)
[Data Reports](#)
[Help](#)
[Policy](#)

▼ **User Resources**

[General Definitions](#)

[FAPIS-PA Datasources](#)

[Limitation on Permissible Use of
Dun & Bradstreet, Inc. \(D&B\) Data](#)

Search FAPIS Records


▶ **FAPIS Search Instructions**


Unique Entity ID (DUNS)		9 digit, numeric
Unique Entity ID (SAM)		12 character, alpha-numeric
CAGE		5 character, alpha-numeric
Entity Name		<input type="text" value="Begins with"/> <input type="text" value="Rappahannock Goodwill Industries"/>

[Accessibility/Section 508](#)



FAPIS



**Federal Awardee Performance
and Integrity Information System**


[Home](#)
[Data Reports](#)
[Help](#)
[Policy](#)

[Back](#)

Search Results

Entity: RAPPAHANNOCK GOODWILL INDUSTRIES, INC.

Unique Entity ID (DUNS): 082874348

Unique Entity ID (SAM):

CAGE: 3P301

Date FAPIIS search conducted: 07/21/2020 20:41:03

[View Corporate Relationships](#)

FAPIIS Data	Records	Count
Administrative Agreement	No	0
Defective Pricing	No	0
DoD Determination of Contractor Fault	No	0
Information on Trafficking in Persons	No	0
Non-Responsibility Determination	No	0
Recipient Not-Qualified Determination	No	0
Subcontractor Payment Issues	No	0
Termination for Cause	No	0
Termination for Default	No	0
Termination for Material Failure to Comply	No	0

Proceedings Information as Entered by the Entity in SAM.gov



YOUR MONTHLY PROGRESS

- ☐ Member Recruitment
- ☐ Member Enrollment
- ☐ Member Retention
- ☐ Member Exit

- ☐ NSCHC
- ☐ Member Timesheets
- ☐ Expenditures YTD vs. Period of Performance Complete
 - ☐CNCS Share
 - ☐Grantee Share



YOUR QUARTERLY PROGRESS

- ☐ Aggregate Financial Reports
- ☐ Grantee Progress Reports
- ☐ Desk Reviews Completed
- ☐ Reporting Timeliness
- ☐ Program Change Requests



YEAR IN REVIEW: YOUR PROGRAM PERFORMANCE

- ☐ CNCS Share Expended
- ☐ Statutory Match (Grantee Share) Expended
- ☐ Budgeted Match (Grantee Share) Expended
- ☐ Member Service Year (MSY) Slot Utilization-
Approved vs. Filled
- ☐ Results of desk reviews and on-site monitoring
including IPERIA
- ☐ Member Management
 - ☐ Member Issues
 - ☐ Member Survey Results



YEAR IN REVIEW: OUR PORTFOLIO PERFORMANCE

- ☐ Aggregate CNCS Share Expended
- ☐ Aggregate Match (Grantee Share) Expended
- ☐ MSY and Slot Utilization- Approved vs. Filled
- ☐ Member Survey Results

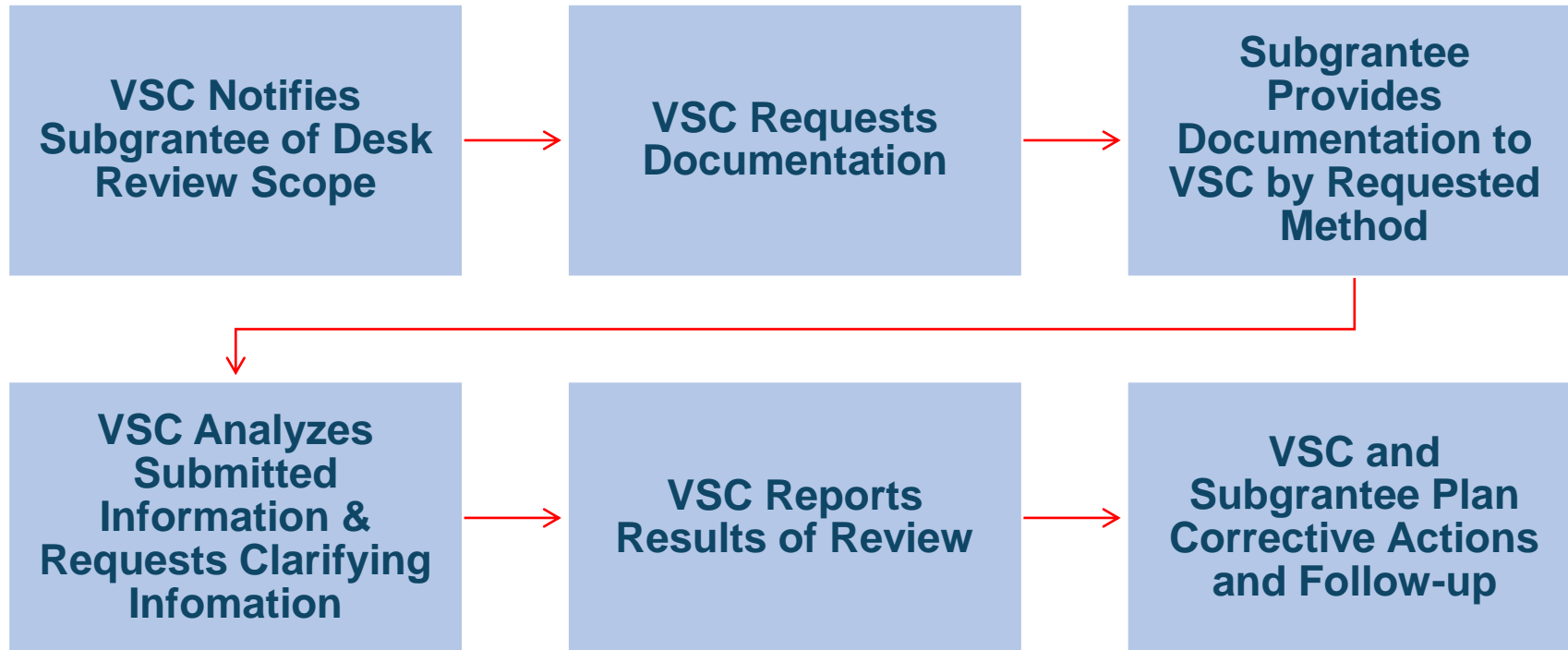


Compliance Desk Reviews

- **Limited** examinations of grant administration documentation conducted outside of the subgrantee organization's site
- Used to address **priority** compliance topics across the portfolio in an expeditious manner
- May also be used to determine the **nature, timing and extent** of a subsequent time visit



Desk Reviews

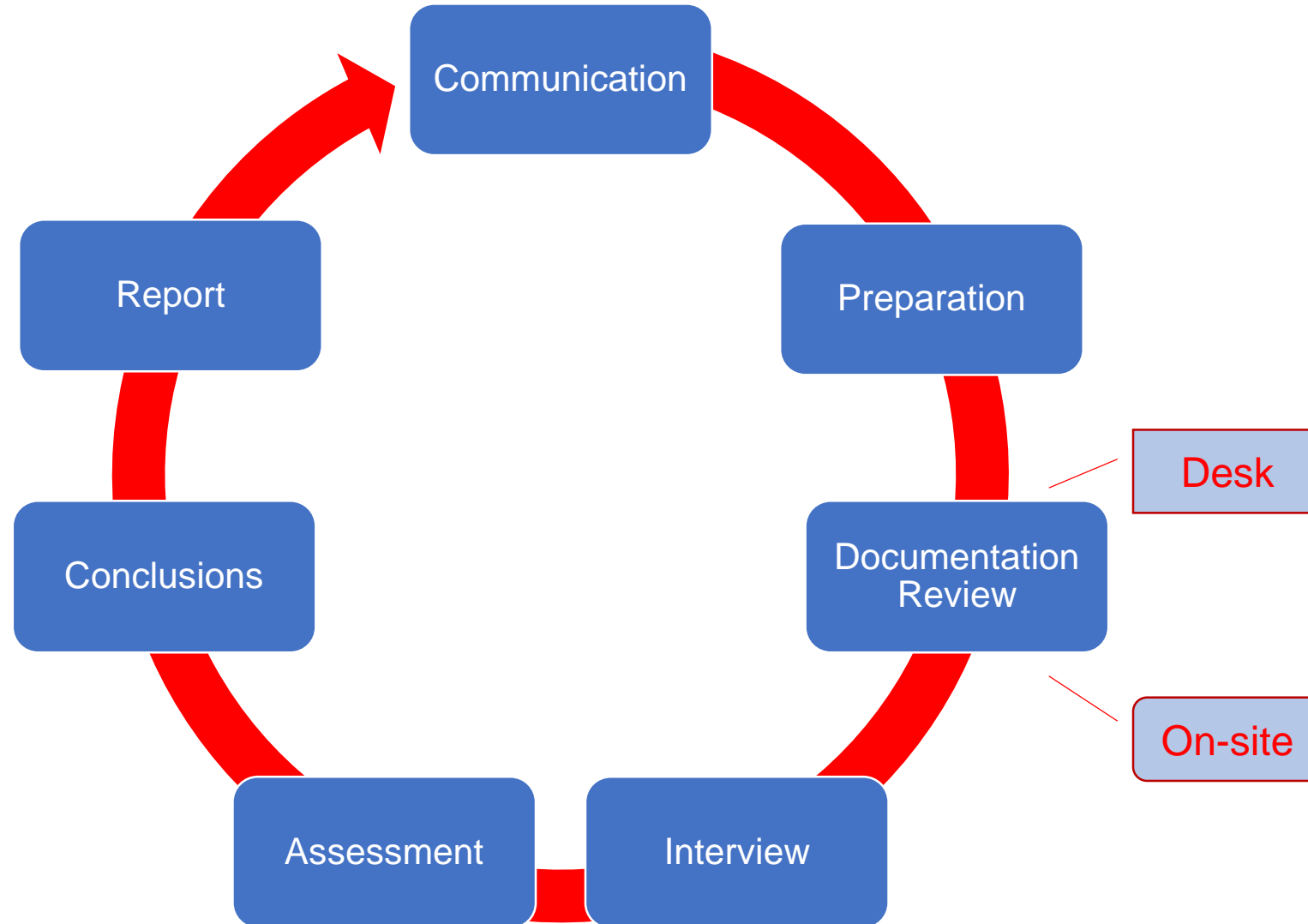


Compliance Monitoring Site Visits

- Occurs at a subgrantee's **organizational office** and may include member sites
- Enables the **thorough** examination of records and documentation in review areas:
 - Programmatic
 - Fiscal
 - Administrative
- Includes all pertinent staff
- Offers enhanced opportunities for technical assistance



Site Visit Process



THANK YOU!

Samantha Lukasiewicz, Program Officer
(804) 726-7925

samantha.lukasiewicz@dss.virginia.gov

Shannon Girouard, Fiscal Officer
(804) 726-7072

shannon.girouard@dss.virginia.gov

